## PROPOSED CODE OF FAIR COMPETITION

FOR THE

## LABEL MANUFACTURING INDUSTRY

AS SUBMITTED ON SEPTEMBER 6, 1933


The Code for the Label Manufacturing Industry
in its present form merely reflects the proposal of the above-mentioned industry, and none of the provisions contained therein"are
to be regarded as having received the approval of the National Recovery Administration as applying to this industry

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1933

## SUbMitted by

LABEL MANUFACTURERS ASSOCIATION (II)

## CODE OF FAIR COMPETITION FOR THE LABEL MANUFACTURING INDUSTRY

## I

The Label Manufacturers Association, organized at Chicago, July 12, 1933, hereinafter called the Association, consists of label manufacturers organized and self-disciplined so as to qualify for governmental sanction and supervision by virtue of the provisions of the Industrial Recovery Act approved June 13, 1983, hereinafter called the Act. A label manufacturer is any individual, partnership, association, trust, or corporation in the United States of America and other places under its jurisdiction engaged in the commercial production and/or sale of labels, either separately or in combination with other articles. A label is a sheet-like paper bearing a descriptive design or language intended to identify the object to which it may be applied. A member is any label manufacturer who shall voluntarily subscribe to this Code or who shall become subject to the provisions of this Code by order of the President.

## II

The purposes and objects of the Label Manufacturers Association are as follows:
A. Members shall be fair and honest with consumers, employees, and competitors, to endeavor to remove obstructions to the free flow of interstate and foreign commerce, to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, to induce and maintain united action of labor and management under adequate governmental sanction and supervision, to eliminate unfair competitive practices, to promote the fullest possible utilization of the present productive capacity of industries in order to avoid undue restriction of production (except as may be temporarily required), to increase the consumption of industrial and agricultural products by increasing purchasing power, to reduce and relieve unemployment, to improve standards of labor, and otherwise to rehabilitate industry and to conserve natural resources, and generally to effectuate the policies of the Industrial Recovery Act.
B. Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives, or in self-organization or in other concerted activities for the purpose of collective bargaining, or other mutual aid or protection; furthermore, no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain
from joining, organizing, or assisting a labor organization of his own choosing.
C. Members shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by authority of law.

C 1. The maximum hours of labor for persons doing factory work shall be 40 hours per week. This may be increased whenever required on seasonal commodities or whenever it shall be impossible to obtain additional competent help in the locality, but in no event shall any person work more than 1,040 hours in twenty-six consecutive weeks. This does not apply to supervisors and emergency repair employees engaged in nonproductive work.

C 2. Nothing contained herein is intended to limit the number of hours which a plant may operate.

C 3. The minimum rate of pay for work done by female persons shall be $321 / 2$ cents per hour.

C 4. The minimum rate of pay for work done by male persons shall be 35 cents per hour.

C 5. As soon as practicable, an occupational classification for the industry shall be worked out, and minimum rates for each classification fixed. Whenever it can be shown by authentic statistics that the cost of living in any locality is higher than the average throughout the country, the Association may establish the same proportionate increase of minimum rates above the rates scheduled in paragraphs C 3 and C 4 of this Code.

C 6. Persons under 16 years of age shall not be employed in productive mechanical operations.
D. The President of the United States may from time to time cancel or modify any order, approval, license, rule, or regulation issued to this Association and/or any member under authority of said Act.
E. No member shall offer or contract to sell below his cost of the goods and/or services offered or agreed to be sold; and said cost shall be computed by the uniform principles of cost accounting approved by the Association.
F. Members shall report in confidence cost data and such trade statistics as may be requested or required by law to effectuate the purposes of the Association.
G. Members shall not practice deception in regard to that which is sold or its selling price, by false or misleading description, statement, record, undisclosed consideration, deferred delivery, storage, extension of stated credit, secret rebate, commercial bribery, allowance, or gratuity to the customer or secretly to his agent, or otherwise.
H. Every contract of sale exceeding the sum of One Hundred Dollars shall be in writing and shall include a complete statement of the customs of the trade, and the terms of any credit granted; said contract to be equally binding on both parties.
J. Members shall not wilfully injure or attempt to injure by falsely defaming a competitor's goods, credit, or ability to perform his contracts, or by wilfully inducing or attempting to induce the breach of a competitor's contract, or by enticing away the employee of a competitor.
K. Members shall standardize credit practices and exchange credit information with competitors who have an interest therein.
L. Members shall furnish the Association with evidence to establish their compliance with the Code rules of the Association approved under authority of the Act.
M. Nothing herein contained or done in pursuance thereof shall be designed to promote monopolies or monopolistic practices, or to eliminate, oppress, or discriminate against small enterprises.
N. When approved by the President under authority of the Act, the provisions of this Code shall apply to all label manufacturers and they shall thereby be obligated to these Code conditions and to their proportionate share of the expense necessary to effectuate the purposes sanctioned by this Code, and reciprocally to receive the benefits thereof.

## III

Members agree that the affairs of the Association shall be directed by a Board of Directors selected annually by vote of the membership, and that said Board may delegate such authority and, with the assent of the membership, adopt such By-Laws, Rules, and Regulations and Definitions as may be consistent with these Articles and Code and as may be necessary or advisable to effectuate the purposes of the Association and the Act as herein above stated; provided, however, that no person entrusted with the confidential statistics of members shall have, directly or indirectly, any financial interest in the business of any member. Subject to such limitations as may be imposed by the Industrial Recovery Act, these Articles and Code of Fair Competition may be amended by vote of two thirds of members present at a general meeting of the Association duly called for such purpose, provided that written notice of the proposed amendment shall have been sent to all members with the call for such meeting.

## APPENDIX B

## Resolved

(a) That application be made to the National Recovery Administration for approval of the Code of Fair Competition of this Association and that this recommendation be submitted to a general meeting of the Association for ratification.
(b) That said application to the President shall contain a request that a Committee of the Board of Directors of this Association shall maintain a continuing contact with the National Recovery Administration for the study and improvement of conditions affecting the policies and purposes of the National Industrial Recovery Act.
(c) That said Committee shall be fully empowered to appear on behalf of the Association and its members at any and all hearings before the National Recovery Administration, and to act for the members to obtain the approval of said Code by the President.

I certify that the foregoing is a true copy of a resolution duly passed at a regular meeting of the Board of Directors of the Label Manufacturers Association held at Chicago on July 13, 1933, and that the action of said Board of Directors was duly ratified at a general meeting of said Association held in Chicago on July 13, 1933.

Charles R. Casby, Executive Manager of said Association.

## BY-LAWS OF THE LABEL MANUFACTURERS ASSOCIATION

1. Meetings.-General Meetings of the Association for the purpose of electing Directors, receiving the annual reports, and the transaction of other business shall be held annually at a time and place selected by the Board of Directors. Official notice of such meetings shall be mailed to the record address of each member at least thirty days before the time appointed for the meeting. At all meetings of the Association a quorum shall be twenty-five percent of the members. If no quorum is present, a majority of members present may adjourn the meeting from time to time.
2. Representation.-Each member shall furnish the Association with the name of the person who is authorized to act for the member. Except as otherwise provided by law or in these By-Laws, action by members of the Association in meeting duly assembled shall be by affirmative vote of the majority of members present in person or by proxy, and each member of the Association shall be entitled to one vote and shall have the right to delegate such power by proxy in writing. No employee of the Association shall act as proxy.
3. Spectal Meetings.-When requested in writing by ten percent of the members, a special meeting of the Association shall be called for the special purposes which shall be stated in the call for the meeting and which shall be the only business of said meeting.
4. Mail Vote.-Whenever the Board of Directors may deem it advisable, they may request a mail vote of the members on any question not required by these By-Laws to be considered in annual meeting. The question thus presented shall be determined according to a majority of the votes received by mail. The Board of Directors may specify a reasonable time limit within which mail votes must be received. Any question decided by mail vote shall have the same force and effect as if decided in a regular meeting.
5. The Order of Business at all meetings shall be as follows: (1) Call to order. (2) Action on minutes. (3) Receiving communications. (4) Reports of commitees. (5) Unfinished business. (6) Elections. (7) New Business. Any question as to priority of business shall be decided by the chair without debate. The chair may require that only one representative of each member shall have the privilege of the floor. Unless otherwise provided in these ByLaws, the parliamentary rules as laid down in Roberts' Rules of Order shall govern all debates.
6. Board of Directors.-The affairs of this Association shall be directed by a Board of eleven Directors who shall be elected from among the members at the organization meeting of the Association and thereafter at each annual meeting. The term of office of Directors begins when they are declared duly elected. The Board of Directors shall declare the rules and policies of the Association. The Board of Directors may appoint such committees as they may deem advisable for the consideration of special subjects. The Board of Directors shall have power in specific instances to delegate their authority to a committee of not less than three Directors.
7. Election of Directors.-The voting for Directors shall be cumulative and each member shall be entitled to as many votes as there are Directors to be elected, and he may cast such votes for one Director or distribute them among the nominees. At least twenty-four hours before the annual election of Directors, the Chairman of the Board shall appoint a Nominating Committee of five members, which may include not more than two members of the existing Board of Directors and it shall be the duty of said Committee to nominate at said election eleven members' representatives to be voted upon for Directors of the Association. The Chairman of said meeting shall also invite nominations from the floor, and any member shall have the privilege of making a nomination from the floor. The tellers of said election shall provide ballots containing the names of all persons nominated for Directors. Vacancies in the Board of

Directors may be filled by appointment of the Board for the unexpired portion of the term of any Director.
8. Meetings of the Board of Directors shall be held as often as the Board may deem necessary, provided that reasonable notice thereof shall be given to all Directors. A majority of the Directors shall constitute a quorum for the transaction of business. The Executive Manager shall act as Chairman of the Board of Directors. The funds of the Association shall be used to reimburse the Directors for necessary expenses incident to attending Board meetings other than at the time of a general meeting of the Association.
9. Executive Manager.-The Board of Directors shall select and employ an executive manager who shall be responsible for the administration of the affairs of the Association in accordance with the policies approved by the membership and declared by the Board of Directors, and he shall act as Chairman of the Board of Directors and of all meetings of the Association, and shall decide all questions involving the interpretation of the declared rules and policies of the Association. The Executive Manager shall have authority to select and employ such assistants as may be necessary to effectuate the policies of the Association and as may be authorized by a duly approved Expense Budget. The Executive Manager shall cause to be kept a full and accurate record of all transactions of the Association.
10. Expense Budget.-The expense budget necessary to effectuate the policies of the Association shall be determined by the Board of Directors with the approval of the membership. When voting on the Expense Budget, the votes of each member shall be weighted by multiplying each vote by the dollars of dues charged to the voter during the month in which the vote is taken. It shall be the duty of the Executive Manager to collect as dues from each member the proportion of said budget that each member's sales of labels bear to the total label sales of all members. The dues shall be paid monthly; statements thereof shall be rendered in advance on the first day of each month and shall be payable by the twentieth of each month.
11. Depository.-All receipts shall be deposited in a bank designated by the Board of Directors and may be paid out only by check signed by at least two persons who shall be selected by the Board of Directors.
12. Bonds.-The Board of Directors may, in their discretion, require that a fidelity bond be furnished by any or all employees, the expense thereof to be paid from the funds of the Association.
13. Audit.-The Board of Directors shall cause the books and accounts of the Association to be audited within sixty days preceding each annual meeting, by auditor of recognized responsibility, and shall submit the report of said auditor to the members at the next annual meeting.
14. Confidenttal Statistics.-No person entrusted with the confidential statistics of members shall have, directly or indirectly, any financial interest in the business of any member.
15. Amendments.-The Board of Directors may at any time amend or enact such By-Laws, rules, definitions, or declarations of policy as may be consistent with the Articles and Code of Fair Competition, provided, however, that no member shall be bound who has not been given notice thereof. Rules, definitions, and declarations of policy shall have the force and effect of By-Laws when duly promulgated by the Board of Directors and issued to members. Notice shall be given members by mailing to the record address furnished the Association. Said amendment, rule, definition, or declaration of policy shall be effective from the time it is adopted by the Board of Directors unless a member, on receipt of notice thereof, shall request a referendum submitted to the membership, in which event said amendment, rule, definition, or declaration of policy shall be suspended pending the result of the referendum vote. Any member who requests a referendum shall write and sign his arguments, to be submitted on said referendum, and the Board of Directors may also submit arguments in relation thereto.
16. The Funds and Property of the Association shall at all times remain vested in the Association, and no member shall have any residuary or contingent interest therein.

